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WRITER'S DIRECT DIAL NUMBER

February 11, 1998

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VIA HAND DELIVERY

Magalie Roman Salas, Secretary
Secretary's Office
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: File No 91-SAT-TC-97
File No. 106-SAT-AL-97
PRIMESTAR DBS APPLICATIONS;

EX PARTE PRESENTATION

CS Docket No. 97-248 ✓
RM No. 9097
Implementation of the Cable Television
Consumer Protection Act of 1992

Dear Ms. Salas:


The purpose of this letter is to inform you that on February 11, 1998, representatives of the National Rural Telecommunications Cooperative ("NRTC"), including B.R. Phillips, III, Chief Executive Officer and Steven T. Berman, Senior Vice President, Business Affairs and General Counsel, and the undersigned counsel for NRTC, met with The Honorable William E. Kennard, along with Thomas Power, his Legal Advisor. Among the matters discussed were the history of NRTC, its position regarding PRIMESTAR's pending applications, and revisions to the program access rules.

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Magalie Roman Salas, Secretary
February 11, 1998
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In accordance with Section 1.1206 of the Commission's rules, enclosed is an original and three copies of this letter, a memorandum summarizing the issues discussed, and the talking points provided by NRTC to the Chairman and his Legal Advisor. Should the Commission require further information, please contact the undersigned at (202) 434-4210.

Sincerely,



Jack Richards

Enclosures

cc: (with enclosures)

The Honorable William E. Kennard
Thomas Power, Legal Advisor to The Honorable William E. Kennard

Summary of Issues Discussed

NRTC restated its concern that grant of the pending PRIMESTAR applications would be anticompetitive because PRIMESTAR, a company comprised of the largest cable multi-system operators ("MSOs"), would control the majority of available full-CONUS DBS spectrum. NRTC is concerned that PRIMESTAR's MSO owners would encourage PRIMESTAR to use the full-CONUS DBS allocations to provide a DBS service complimentary to, but not in direct competition with cable services. NRTC believes that PRIMESTAR could use its affiliation with News Corp. and the largest cable MSOs to obtain access to programming at rates and terms unavailable to competing multichannel video programming distributors.

NRTC's remarks concerning revisions to the program access rules were based on its Comments filed at the Commission on February 2, 1998 in response to the Notice of Proposed Rulemaking *In re Implementation of the Cable Television Consumer Protection and Competition Act of 1992 Petition for Rulemaking of Ameritech New Media, Inc. Regarding Development of Competition and Diversity in Video Programming and Distribution and Carriage*. NRTC supports (1) the award of damages as a remedy for price discrimination and other program access violations; (2) establishment of new procedural rules to expedite the resolution of program access complaints; and (3) the extension of program access rules to encompass terrestrially-delivered programming that was previously delivered by satellite.

**Talking Points
NRTC/FCC Meeting
February 1998**

I. Introduction to NRTC

- 800 rural electric and telephone utilities
- 800,000 satellite subscribers
 - 750,000 DBS: "DirecTV®"
 - 60,000 C-Band
- Channel Earth® Programming
- Automatic Meter Reading (UTIL-LINK®)
- Internet Access
- 220 MHz

II. Program Access

- Long NRTC History
 - FCC Satellite Discrimination Inquiries
 - Copyright Office Complaints
 - FCC Complaints
 - 1992 Cable Act
- Ameritech Petition (CS Docket No. 97-248)
 - Award Damages
 - Expedite Resolution
 - Terrestrial Programming

III. Copyright Laws (Congressional Review)

- "CARP" rate increase (\$.27) is outrageous
- "White Area" rule is unenforceable
- Network signals should be available nationwide with a surcharge payable within 35 miles of affiliates

- “90-day waiting period” is anticompetitive
- Satellite license should be permanent

IV. PrimeStar

- Grant of pending licenses would allow the largest cable MSOs to control DBS as a competitive force.

B.R. Phillips, III
Chief Executive Officer

Steven T. Berman
Senior Vice President - Business Affairs

Jack Richards
Keller and Heckman LLP